

Industrial Snapshot Q1 2016

Tulsa, OK



Tulsa Industrial

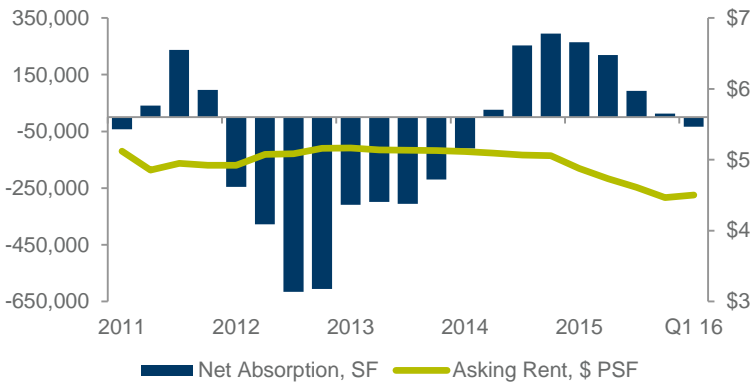
Economic Indicators

	Q1 15	Q1 16	12-Month Forecast
Tulsa Employment	440k	449k	▼
Tulsa Unemployment	4.2%	4.1%	▲
U.S. Unemployment	5.6%	4.9%	▲

Market Indicators

	Q1 15	Q1 16	12-Month Forecast
Overall Vacancy	8.5%	8.0%	▼
Net Absorption	96k	-90k	▲
Under Construction	1.6M	190k	■
Overall Average Asking Rent	\$4.35	\$4.49	■

Overall Net Absorption/Asking Rent 4Q TRAILING AVERAGE



Economy

The Tulsa economy continues to struggle due to poor performance of the oil and gas industry. The first quarter metro area unemployment rate reported 4.1%, an increase from the end of 2015 according to the Bureau of Labor Statistics. In March, Oklahoma's largest company, Williams Cos., announced it will cut its North American staff by 10% in 2016. Williams is based in Tulsa and employs roughly 6,700 employees nationwide. About 1,000 people are employed at its headquarters in downtown Tulsa.

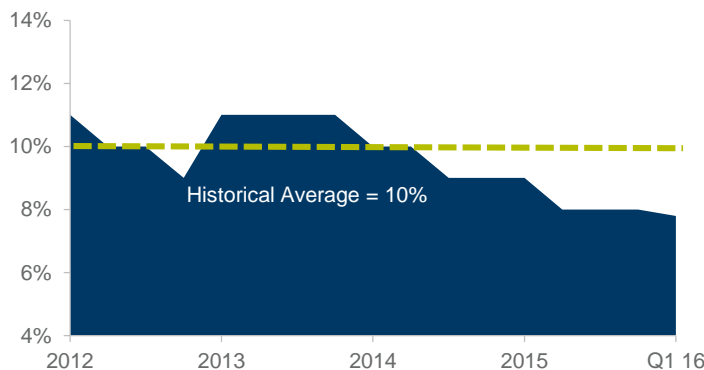
Market Overview

There were no notable industrial transactions signed during the first quarter. The direct vacancy of the industrial market is right at 7.8% and overall vacancy at 8.0% (inclusive of sublease space). Construction at CenterGate is moving along smoothly and activity is picking up. Two of the buildings currently under construction at this project are already 100% pre-leased.

Outlook

The Southeast submarket is going to remain most active. Expect vacancies to increase as the industrial market will be soft over the next twelve months. With limited quality product, CenterGate will see more activity for users with larger space needs. Even with oil and gas down, the market is forecasted to remain stable as it is supported heavily by the aviation and aerospace industry. All manufacturing and warehouse users that facilitate this sector will keep the market stable while the price of oil and gas recover.

Overall Vacancy



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